

FINANCIAL STATEMENTS BASED ON FINANCIAL ACCOUNTING STANDARDS FOR ENTITIES WITHOUT PUBLIC ACCOUNTABILITY

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Abstract

Financial statements are a means of communicating financial information from the results of the process of accounting activities that can help users of financial statements in decision making. Generally accepted Financial Accounting Standards are considered complicated to apply to business entities that do not have public accountability. Based on this IAI issued the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) that can accommodate accounting needs for entities that do not have public accountability. This study aims to determine whether accounting reporting at UD Surya Agung is in accordance with SAK ETAP. The data in this study are primary data obtained directly by the researcher to the parties concerned. From. This type of research is descriptive research with quantitative data. Based on the results of the discussion shows that the financial statements of UD Surya Agung is not in accordance with SAK ETAP. The financial statements used at UD Surya Agung are still very simple and not in accordance with predetermined accounting standards. This study suggests that UD Surya Agung disclose the company's accounting policies in CALK, update every component of the financial statements, and hire skilled employees in the accounting field.

Keywords: Financial Reporting, SAK ETAP

INTRODUCTION

The Indonesian Institute of Accountants (IAI) on July 17, 2009, has issued Financial Accounting Standards for Entities without Public Accountability (SAK ETAP) or The Indonesian Accounting Standards For Non-Publicly-Accountable Entities, SAK ETAP has been approved by the Financial Accounting Standards Board The Indonesian Accountants Association (DSAK IAI) on May 19, 2009. DSAK IAI itself has 17 members representing public accountants, academics, public sector accountants, and management accountants. The reason IAI has issued this standard is to make it easier for Micro, Small and Medium Enterprises (MSMEs) in preparing their financial reports. If this standard is not published in preparing financial reports, they must also comply with the new SAK (which is an IFRS that is currently in the stage of adopting the full converged International Financial Reporting Standards (IFRS) in 2012). IFRS-based SAK is relatively more complex and very expensive for MSMEs to implement (Rumah Pendidikan, 2011).

This SAK ETAP is effective for the preparation of financial statements starting on or after January 1, 2011. If this SAK ETAP is effective, then small companies such as MSMEs do not need to prepare financial reports using the generally applicable Financial Accounting Standard Statement (PSAK). SAK ETAP provides many conveniences for companies compared to PSAK with more complex reporting requirements (Rumah Pendidikan, 2011).

UD. Surya Agung is a company engaged in the property business. The property business in Indonesia is a business that is experiencing a very significant development, as seen by the number of new residential developments at competitive prices, especially in Indonesia the competition in the property business is very tight. This can also be seen from the increasing market demand for the property business. Meanwhile, according to Robert and Floyd (1991), the definition of property is all buildings on the surface of the earth that are towering into space that are

permanently attached either naturally or by human intervention. Kloter (2005) explains that property is an intangible ownership right in the form of *real estate* (real objects) or *financial* (stocks and bonds).

The broad definition of property itself is any ownership attached directly to the land, as well as the land itself. Property includes not only buildings and other structures, but also rights and interests, property can also take the form of rent or housing. In addition to housing, housing and apartments, there are property products in the form of office buildings and shop houses that are also growing rapidly. This can be seen from the construction of new office buildings in business districts and the construction of shop houses along the streets. So it is not surprising that this property business is in demand as a profitable business. The rapid growth of the property business is driven by the basic human need for housing, in addition to food and clothing. And this need is one of the main needs that must be met instinctively. So, it is not natural for someone not to dream of owning their own house.

For business purposes, a person or business entity needs a place that can be used for their business needs, for example an office, shop or warehouse. In the development of the capital market in Indonesia, there is a demand for transparency in the financial condition of companies. Financial reports are prepared and presented at least once a year to meet the needs of users. Financial reports are very important for a property business company because the financial statements contain information about how the company is performing. Use of financial reporting procedures in accordance with applicable accounting standards. Seeing the importance of financial reports in assessing the health of a company, the financial statements must be prepared carefully and free from bias. Therefore, it is necessary to have an accounting standard that regulates the presentation of a company's financial statements.

Financial Reporting for property companies is also very helpful in the decision-making process because it shows when and how much the funds came in and out, evaluates performance, and shows the financial implications of choosing from several *plans* that have been offered, so that the company can predict the effect of future decisions. In addition, it can also be carried out as a whole company performance assessment and the personnel involved in it. The accounting policy according to PSAK No. 1, accounting policies are specific principles, foundations, conventions, rules and practices that companies apply in preparing / compiling and presenting financial reports. Management selects and establishes accounting policies so that the financial / reporting reports meet the requirements of the SAK statements, if they have not been regulated in PSAK, management must establish policies to ensure that the financial statements present information that is relevant to the needs of the use of reports for decision making in the future and can dependable.

The existence of SAK ETAP is expected to make it easier for UD Surya Agung to present financial reports. SAK ETAP is also expected to be a solution to the company's internal problems. The financial report is a very important tool to obtain information about the company's financial position and the business results a company wants to achieve. One form of information that can be used to determine the condition and development of a company is a financial report that is reported at the end of each period as an accountability report for the management of a company.

Those who need financial reports need to understand what the numbers in the financial statements mean and how to analyze and interpret financial data in a logical and systematic way. However, in practice, there are several companies that have not kept their financial accounting or records based on financial accounting standards. This arises because company owners assume that their company has not had very large operations. Whereas financial reports are the most essential thing for company owners as the basis for developing their business in terms of decision making. Financial reports presented by UD. Surya Agung consists of balance reports, income statements and changes in equity only, even though financial statements based on Financial Accounting Standards for Entities without Public Accountability (SAK ETAP) have 5 components of financial statements, namely: balance statements, income statements, changes in equity, balance sheets, reports cash flow, and notes to financial statements. Based on the description above, considering the

importance of evaluating and presenting financial reports in accordance with the standards made, namely SAK ETAP

METHOD

The method used in this research is descriptive with quantitative data. The data technique used in this study began by examining all available data from various sources, namely interviews, field observations, official documents, and so on.

RESULTS AND DISCUSSION

Based on the results of data collection of UD Surya Agung's financial statements conducted by researchers, there are several financial reports such as balance sheets, income statements, equity reports and cash flow reports, the following is a data analysis checklist in the presentation of financial statements at UD Surya Agung:

Table 1. Checklist of Balance Sheet Financial Report Postings at UD Surya Agung

No	Items On The Balance Sheet	Is There Any or Not	Information
1	Cash and cash equivalents	There is	In the form of a balance sheet
2	Accounts Receivable and Other Receivables	There is	In the form of a balance sheet
3	Stock	There is	In the form of a balance sheet
4	Investment Property	There is	In the form of a balance sheet
5	Fixed assets	There is	In the form of a balance sheet
6	Intangible Assets	There is no	-
7	Accounts Payable and Other Payable	There is	In the form of a balance sheet
8	Tax Assets and Liabilities	There is	In the form of a balance sheet
9	Estimated Liability	There is no	-
10	Equity	There is	In the form of a balance sheet

Source: Processed Data

The results of the analysis in table 1 indicate that UD. Surya Agung has presented 8 out of 10 minimum items that must be in the balance sheet based on the applicable terms of SAK ETAP.

Table 2 Checklist of Financial Statement Positions of Profit and Loss at UD Surya Agung

No	Heading on Profit and Loss	Is there any or not	Information
1	Income	There is	In the form of profit or loss
2	Financial Charges	There is	In the form of profit or loss
3	Share of profit or loss on investment using the equity method	There is	In the form of profit or loss
4	Tax expense	There is	In the form of profit or loss
5	Net profit or loss	There is	In the form of profit or loss

Source: Processed Data

The results of the analysis are in table 2. UD Surya Agung's financial report has presented 5 of the 5 minimum items that must be in the income statement based on the applicable terms of SAK ETAP.

Table 3. Checklist of Information on Equity Financial Statements at UD Surya Agung

No	Information on Change in Equity Report	Is there any or not	Information
1	Profit or loss for the period	There is	In the form of a report on changes in equity
2	Income or expenses that are recognized directly in equity	There is	In the form of a report on changes in equity
3	The effect of recognized changes in accounting policies and correction of errors	There is	In the form of a report on changes in equity
4	Reconciliation between the amount recorded at the beginning and end of the period	There is	In the form of a report on changes in equity

Source: Processed Data

The results of the analysis in table 3 show that UD Surya Agung includes 4 of the 4 information that must be present in the change in equity report based on the applicable terms of SAK ETAP.

Table 4: Checklist of Financial Statement Information on Cash Flow at UD Surya Agung

NO	Cash flow statement	Is there any or not	Information
1	Operating cash flow statement	There is no	Does not present a cash flow statement
2	Investment cash flow statement	There is no	Does not present a cash flow statement
3	Funding cash flow statement	There is no	Does not present a cash flow statement

Source: Processed Data

In table 4, the analysis shows that UD Surya Agung does not present cash flow reports in the form of operating, investing and financing activities. Based on the table above, UD Surya Agung does not provide a complete financial report according to SAK ETAP. UD Surya Agung only presents a balance sheet, income statement, and a simple statement of changes in equity. In table 2, it can be seen that UD Surya Agung has made a balance sheet financial report in accordance with the minimum postal items in SAK ETAP, UD Surya Agung has listed 8 of the 10 minimum items, the following are the balance sheet financial statements of UD Surya Agung which are in attachment 1. In the classification of assets and liabilities, an entity must present current assets and non-current assets, short-term liabilities and long-term liabilities and capital as a separate classification, in the balance sheet it can be seen that UD Surya Agung has prepared a balance sheet financial report in accordance with the minimum postal items. which is in SAK ETAP.

Table 5. UD Surya Agung Balance Sheet in 2019

ASSET		Liability	
Current assets		Current liabilities	
Cash and cash equivalents	600.000.000	Account payable	887.683.000
Accounts receivable	478.925.000		
Equipment	20.091.000		
Building under implementation	373.469.000		
Development project term	(224.796.781)		
Total current assets	1.247.688.219	Total current debt	887.683.000
Fixed assets		Capital	
Soil	57.770.000	Paid-up capital	695.671.693
Building	242.889.974	Total capital	695.671.693
Equipment	22.091.000		
Office inventory	12.915.500		
Total fixed assets	355.666.474		
Total assets	1.585.354.693	Total Liabilities	1.583.354.693

Table 6. UD Surya Agung Profit and Loss in 2019

INCOME	
Project revenue	800.398.036
Load load	
Other expenses	407.523.603
Salary expense	15.399.000
Electrical load	10.266.000
Equipment load	10.399.000
Supplies expenses	10.000.000
Total load	(453.587.609)
Profit before tax	346.810.427
Tax expense	(34.681.042)
Net income after tax	312.129.358

Table 7. Changes in the Equity of UD Surya Agung in 2019

Capital	695.671.693
Net income after tax	<u>312.129.358</u>
	1.007.801.051
Prive	(-)
Final capital	1.007.801.051

While UD Surya Agung does not make a cash flow report on its financial statements, therefore the researcher provides an overview of the presentation of cash flow statements in accordance with generally accepted standards by looking at the financial statements presented by UD Surya Agung, the following is an overview of the format of the financial statements good and correct cash based on SAK ETAP.

Table 8. Cash Flow Statement

Cash Flow from Operating Activities:	
Cash Receipts from Customers	xxx
Cash Payments from Suppliers and Employees:	
Salary expense	xxx
Tax expense	xxx
Other expenses	xxx
Electrical load	xxx
Equipment load	xxx
Supplies expenses	<u>xxx</u>
Cash generated by operations	(xxx)
Interest payment	xxx
Payment of income tax	<u>xxx</u>
Net cash flow obtained from operating activities	<u>xxx</u>
Cash Flows from Investing Activities:	
Disposal (acquisition) of investment	(xxx)
Disposal (acquisition) of fixed assets	(xxx)
Disposal (acquisition) of investment	<u>(xxx)</u>
Net cash flow obtained from investing activities	<u>(xxx)</u>
Cash Flows from Financing Activities:	
Receipt (payment) of bank loans	(xxx)
Dividend payment	(xxx)
Receipt (payment) Lease	<u>(xxx)</u>
Net cash flow generated from financing activities	<u>(xxx)</u>
Increase (decrease) in net cash and cash equivalents	(xxx)
Cash and cash equivalents at beginning of the year	xxx
Year-end cash and cash equivalents	<u>xxx</u>

According to IAI (2009: 34), notes to financial statements contain information in addition to the information presented in the financial statements. Notes to financial statements contain narrative explanations or details of the amounts presented in the financial statements and postal information that do not meet the criteria for recognition in the financial statements. Based on information obtained by UD. Surya Agung does not make notes on the financial statements, so he cannot describe in detail the accounts in the financial statements.

The researcher considers that the issuance of financial reports by UD Surya Agung has not implemented complete financial reports in accordance with SAK ETAP. UD Surya Agung only prepares simple financial reports according to their capabilities. The entity should have made an explicit and full statement in the Notes to Financial Statements (CALK). UD. Surya Agung does not have a CALK, so UD Surya Agung still has not implemented SAK ETAP as a guide in presenting his financial statements.

A complete financial report based on SAK ETAP must have CALK while UD Surya Agung does not present CALK in its financial statements, so it cannot describe in detail the accounts in CALK's financial statements. Basically, it functions to provide information on the basis for preparing financial statements and policies. accounting used. UD Surya Agung also does not make a cash flow report in its financial statements, it should include items that are in accordance with SAK ETAP such as operating cash flow reports, investment cash flow reports, financing cash flow reports.

Setiady (2012) concluded that it is difficult to implement SAK ETAP because the company does not have adequate human resources. UD. Surya Agung experienced the same impact where the need for adequate human resources was urgently needed to produce more accurate financial reports. This company has also never been audited by a public accounting firm so that it considers that there is no urgency to make other reports such as cash flow reports, changes in equity, and notes on financial statements. The accounting and tax staff of UD Surya Agung admitted that they did not fully understand the application of SAK ETAP for MSMEs. Continuous presentation of financial reports for small businesses must pay attention to the principle of consistency so that reports from the previous period can be compared (comparability) with the next period. The principle of comparability (comparability) can provide information on business developments that have been carried out so far. Is the business profitable or is it just as long as it runs, without making a profit, or even losing money.

CONCLUSION

The results of this study can be concluded that UD Surya Agung has not compiled a complete financial report according to SAK ETAP. This is based on SAK ETAP which requires complete financial reports consisting of balance sheets, profit and loss statements, changes in equity, cash flow statements, and notes to financial statements. Researchers found that there were inconsistencies in several items in the presentation of financial statements. This is based on the recording done by UD Surya Agung which is still very simple and done manually. SAK ETAP-based accounting records are not carried out due to internal and external factors. These internal factors are factors that come from within the company, while external factors are the absence of supervision from the parties with an interest in the financial statements.

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